

How Does Membership in both PERS and PSERS Affect Me?

If you are an active member of the Public Employees' Retirement System (PERS) and you elect to become a member of the Public Safety Employees' Retirement System (PSERS), you will become a dual member of PERS and PSERS. You will be an active member of PSERS and an inactive member of PERS. As a result, you may be eligible for retirement benefits under both systems.

How Do I Qualify?

You will qualify for dual membership if you meet **all** of the following criteria:

- You become an active member of PSERS.
- You previously contributed to PERS.
- You have not retired from any Department of Retirement Systems (DRS) administered system.
- You are not receiving disability retirement or disability leave benefits from any DRS-administered retirement system.

What Are the Advantages of Dual Membership?

Dual membership has three primary advantages:

- You may restore service credit withdrawn from any other dual member system.
- You may combine service credit earned in all dual member systems to become eligible for retirement.
- You can use your highest "base salary" in a dual member system to calculate your retirement benefit.

• Restoring contributions and service credit

• If you become a dual member, you may restore contributions and service credit that you previously withdrew from PERS. To restore, you must repay the withdrawn contributions plus interest within 24 months of becoming a dual member.

• You can find out more about restoring contributions and service credit, or purchasing service credit, by reading the DRS publication *Recovery of Withdrawn or Optional Service Credit*.

Retirement eligibility for dual members

As a dual member, you may combine service credit in both dual member systems to become eligible for retirement. If your combined service makes you eligible to retire from PERS or PSERS, you may elect to retire from both systems. If you are not eligible to receive an unreduced retirement benefit from PERS until age 65, but you qualify for an unreduced PSERS retirement benefit at age 60, you may apply for retirement as a dual member from PSERS at age 60 and:

- Defer receiving a PERS benefit until you reach full normal retirement age under the plan; or
- Begin receiving a reduced PERS benefit prior to full retirement age.

Although you can combine service from both systems to become eligible for retirement, the amount of the benefit you will receive is determined by the rules of each individual system. Retirement eligibility rules for PERS and PSERS are as follows:

PSERS Plan 2 may retire at:

- Age 65 with at least five service credit years
- Age 60 with at least 10 service credit years in PSERS
- Age 53 with at least 20 service credit years (benefit will be reduced by 3% per year under age 60)

PERS Plan 2 may retire at:

- Age 65 with at least five service credit years
- Age 55 with at least 20 service credit years (benefit reduced by full actuarial reduction per year under age 65)
- Age 55 with at least 30 service credit years (benefit will be reduced by 3% per year under age 65)

PERS Plan 3 may retire at:

- Age 65 with at least 10 service credit years
- Age 65 with at least five service credit years, including 12 service credit months earned after age 44
- Age 65 with at least five service credit years that were earned under Plan 2
- Age 55 with at least 10 service credit years (benefit reduced by full actuarial reduction per year under age 65)
- Age 55 with at least 30 service credit years (benefit will be reduced by 3% per year under age 65)

Disability Retirement

If you receive a disability retirement from your active system (PSERS), you remain eligible to receive a service retirement benefit from PERS. Benefits from your inactive system (PERS) may be reduced. Contact a DRS Retirement Services Analyst for more information.

Benefit Calculation

If you retire as a dual member, you will receive a separate defined benefit from PERS and PSERS. Both systems have service retirement benefits that are composed of three factors:

- Service credit in that system
- Average earnings
- A multiplier

DEFINED BENEFIT FORMULA
service credit x multiplier x average earnings = retirement benefit

Service Credit: The benefit you receive from each system will be based on the service credit you accumulated in that system.

Multiplier: The multiplier for PSERS and PERS Plan 2 is two percent. The multiplier for PERS Plan 3 is one percent.

Average Earnings: PSERS and PERS Plan 2 and Plan 3 use a 60 consecutive month average to establish your average earnings in the benefit calculation. For more detailed descriptions of average earnings criteria, refer to your member handbook.

• Under dual membership, DRS will establish your average earnings using two methods. You will be awarded the higher of the benefits.

- Each system calculates your defined benefit based on the compensation earned in that system; or
- The highest “base salary” from either system is used to determine the average earnings factor when calculating the retirement benefit. Your base salary is salary earned prior to the date your combined service in both systems makes you eligible for an **unreduced** benefit. However, if your average earnings are higher after the first date you are eligible to retire, you may choose to retire at a later date.

• Base salary means salary or wages earned during a payroll period for personal services. The base salary includes wages and salaries deferred under federal tax codes. Base salary does not include:

- Overtime pay;
- Non-money maintenance compensation;
- Cash-outs for deferred annual sick leave, unused accumulated vacation or unused accumulated annual leave;
- Any form of severance pay; or
- Fringe benefits.

How is my retirement benefit affected by dual membership?

DRS has created a collection of *PSERS Dual Member Retirement Examples*. These examples were created to illustrate some of the common ways that dual membership may affect your retirement benefit. This is not a complete listing of dual membership scenarios. Please contact DRS if your particular situation is not addressed or if you need more information.

- **Example 1** — 30 years combined service (20 PERS/10 PSERS) — Retirement at age 60
- **Example 2** — 30 years combined service (10 PERS/20 PSERS) — Retirement at age 60
- **Example 3** — 20 years combined service (5 PERS/15 PSERS) — Retirement at age 53
- **Example 4** — 20 years combined service (15 PERS/5 PSERS) — Retirement at age 53
- **Example 5** — Dual member who waits until age 65 for retirement from PERS and PSERS

What if I have service credit in other retirement systems?

If you have service credit in any of the retirement systems listed below, you may also be eligible for a retirement benefit from that system at the same time you retire as a dual member from PSERS and PERS.

- Teachers' Retirement System
- School Employees' Retirement System
- Law Enforcement Officers' and Fire Fighters' Retirement System
- Washington State Patrol Retirement System
- City Retirement Systems for Seattle, Spokane and Tacoma
- State-wide City Employees' Retirement System

To Learn More

For more information see the *What is dual membership and how does it affect me?* brochure or access dual membership rules under RCW Chapter 41.54. More information may also be found in your PERS and PSERS member handbooks. Member handbooks, brochures and other publications for PERS and PSERS are available on the DRS Web site. Printed copies can be obtained by contacting your employer's personnel office or DRS.

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This brochure does not contain a complete description of the law. If there are conflicts between what is written here and what is contained in the law, the applicable law will govern. Dual membership is described in Chapter 41.54 of the Revised Code of Washington (RCW) and Chapter 415-113 of the Washington Administrative Code (WAC).